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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/743,520	12/19/2003	Hermann Calabria	D/A3360Q1 XERZ 2 00688	7681
27885	7590	02/13/2008	EXAMINER	
FAY SHARPE LLP			SORKOWITZ, DANIEL M	
1100 SUPERIOR AVENUE, SEVENTH FLOOR			ART UNIT	PAPER NUMBER
CLEVELAND, OH 44114			4137	
			MAIL DATE	DELIVERY MODE
			02/13/2008	PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/743,520	CALABRIA ET AL.	
	<b>Examiner</b>	<b>Art Unit</b>	
	DANIEL M. SORKOWITZ	4137	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 12/19/2003.

2a) This action is **FINAL**.                            2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) \_\_\_\_\_ is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 1-57 is/are rejected.

7) Claim(s) \_\_\_\_\_ is/are objected to.

8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All    b) Some \* c) None of:

1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

1) Notice of References Cited (PTO-892)

2) Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date 12/19/2003.

4) Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.

5) Notice of Informal Patent Application

6) Other: \_\_\_\_\_.

***Status of Claims***

**DETAILED ACTION**

Notice to Applicant

1. This communication is in response to the application filed on 12/19/2003. Claims 1-57 have been examined.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claim 1-57 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Number 7,035,812 to Meisel et al. (hereinafter "Meisel ") in view of US patent number 6,925,442 Shapira et al. (hereinafter "Shapira ")
3. Regarding claim 1, Meisel clearly discloses receiving at least one candidate advertisement from the advertiser and creating a list of candidate keywords associated with the at least one candidate advertisement (col.10 30-33); estimating a click-through rate for each advertisement-keyword pair from the at

least one candidate advertisement and candidate keywords (col. 16 line 8-15); calculating a bid amount for each advertisement-keyword pair (col.26 lines 59-63). Meisel not explicitly disclose calculating a return on advertising investment (ROAI) for each advertisement-keyword pair. Shapira clearly teaches a way to calculate and use return on investment for each advertising campaign (col. 2 lines 40-43). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to calculate a return on advertising investment (ROAI) for each advertisement-keyword pair. Shapira teaches that using Return on Advertising Investment helps advertisers better analyze the effectiveness of the operator's advertising (col. 2 lines 20-23).

4. Regarding claim 2, it would be obvious to one of ordinary skill in the art that the method could be performed repeatedly.
5. Regarding claim 3, Meisel clearly discloses a list of candidate keywords is provided by the advertiser (col. 10 lines 20-25).
6. Regarding claim 4, Meisel clearly discloses the list of candidate keywords is automatically generated at least in part from at least one keyword provided by the advertiser (col. 27 lines 52-58).

7. Regarding claim 5, Meisel clearly discloses the list of candidate keywords is automatically generated at least in part from content in an advertiser web site. (col. 27 lines 52-58).
8. Regarding claim 6, Meisel clearly discloses the list of candidate keywords is automatically generated at least in part from content of the at least one candidate advertisement (col. 10 lines 25-33).
9. Regarding claim 7, Meisel clearly discloses the list of candidate keywords is automatically generated at least in part from one or more of at least one keyword provided by the advertiser, content in an advertiser web site, and content of the at least one candidate advertisement (col. 27 lines 52-58).
10. Regarding claim 8, Meisel clearly discloses the click-through rate for each advertisement-keyword pair is estimated by placing the advertisement in the search results list on a trial basis. (referred to as a specified period of time (col. 16 lines 10-15))
11. Regarding claim 9, Meisel clearly discloses the click-through rate for each advertisement-keyword pair is estimated using an algorithm to estimate the relevance of advertisement content to the keyword for the advertisement-

keyword pair. (referred to as certain measures of relevance (col. 15 lines 54-59) and col. 17 lines 59-66))

12. Regarding claim 10, Meisel clearly discloses the estimated click-through rate for each advertisement-keyword pair is continuously revised based on actual search queries, search results lists, and click-throughs corresponding to the advertisement-keyword pair. (referred to as a continuous function (col. 17 line 43-44)). Regarding claim 11, Meisel clearly discloses tracking the advertisement-keyword pair at the time a user clicks on the corresponding advertisement in the search results list (col. 28 lines 64-68). Meisel does not explicitly disclose associating the tracked revenue events and revenue amounts. Shapira clearly discloses tracking revenue events and revenue amounts (Table 1 , col. 10 5-15). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to associate the associated tracked advertisement-keyword pair clicks and tracked revenue events and revenue amounts. Shapira teaches that using tracking revenue (referred to as qualification level) helps advertisers better analyze the effectiveness of the operator's advertising (col. 2 lines 20-23).

13. Regarding claim 12, Meisel clearly discloses wherein tracking the advertisement-keyword pair is accomplished at least in part by using one or more

of a tracking URL, a form, and a cookie (col. 7 lines 1-4). Shapira clearly discloses tracking with web traffic using cookies (col.4 lines 59-60).

14. Regarding claim 13, Shapira clearly discloses the revenue event includes at least one of a sale, a lead generation, and a form submission (referred to as a qualification level (fig.5 305, col. 6 lines 50-51).

15. Regarding claim 14, Shapira clearly discloses the revenue event and corresponding revenue amount are stored in a database associated with the advertiser web site (Table 1 , col. 10 5-15).

16. Regarding claim 15, Shapira clearly discloses the revenue event and corresponding revenue amount are stored in a service provider web site (col. 9 lines 18-20). The use of image bugs in place of web logs is old and well known in the art.

17. Regarding claim 16, Shapira clearly discloses the revenue event and corresponding revenue amount is stored in a database associated with the advertiser web site (col.7 lines 52-54).

18. Regarding claim 17 and 18, Meisel clearly discloses receiving the associated tracked advertisement-keyword pair clicks (col. 29 lines 27-32). Meisel does not

explicitly disclose receiving tracked revenue events and revenue amounts. Shapira clearly discloses receiving tracked revenue events and revenue amounts using web services (Table 1 , col. 10 5-15). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to receive the associated tracked advertisement-keyword pair clicks and tracked revenue events and revenue amounts. Shapira teaches that using tracking revenue (referred to as qualification level) helps advertisers better analyze the effectiveness of the operator's advertising (col. 2 lines 20-23).

19. Regarding claim 19, Meisel clearly discloses considering the relevance of the advertiser web site to the advertisement-keyword combination (col. 7 lines 25-30).

20. Regarding claim 20, Shapira clearly discloses considering an experience level (referred to as qualification level (col. 6 lines 35-40).

21. Regarding claim 21, Shapira clearly discloses receiving ROAI from the advertiser (col. 9 lines 62-66).

22. Regarding claim 22, Meisel clearly discloses various advertising effectiveness measurements to determine bid amounts, such as CTR ( col. 17 line 17-20) and

CPC (Col. 18 lines 2-5). Meisel not explicitly disclose calculating a return on advertising investment (ROAI) for the bid amount of and advertisement-keyword pair. Shapira clearly teaches a way to calculate and use return on investment for each advertising campaign (col. 2 lines 40-43). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to calculate a return on advertising investment (ROAI) for each advertisement-keyword pair. Shapira teaches that using Return on Advertising Investment helps advertisers better analyze the effectiveness of the operator's advertising (col. 2 lines 20-23).

23. Regarding claim 23, Meisel clearly discloses optimizing bids (col. 15. lines 65-68).

24. Regarding claim 24, Meisel clearly discloses recommending an optimal set of bid combinations with respect to profitability for the advertiser creating a corresponding automatic insertion order for placing the advertisement-keyword combinations (fig. 26 lines 55-64).

25. Regarding claim 25, Meisel clearly discloses storing bid combinations in a database (col., 13, lines 6-10). Sorting data in a database is old and well known in the art.

26. Regarding claim 26, Meisel clearly discloses that the advertiser constrains the set of bid combinations by at least one of an advertisement budget and a capacity budget (col. 20. lines 58-62).

27. Regarding claim 27, Meisel clearly discloses the advertiser constraint is a maximum budget amount for a predetermined period of time (referred to as "running totals" (col. 23 lines 48-51)).

28. Regarding claim 28, Meisel clearly discloses an advertiser constraint is a desired number of click-through for a predetermined period of time. (fig. 9, col. 26 lines 55-62).

29. Regarding claim 29, Meisel clearly discloses an advertiser constraint can be an action event, an activity based on actions at an advertiser's web site (col. 26 lines 55-60). Meisel not explicitly disclose the advertiser constraint is at least one of a multiplier of ROAI and a desired profit margin with respect to ROAI. Shapira clearly teaches a way to calculate and use return on investment for each advertising campaign (col. 2 lines 40-43). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to constrain the advertiser by a multiple of return on advertising investment (ROAI) Shapira teaches that using Return on

Advertising Investment helps advertisers choose the most profitable advertising (col. 2 lines 20-23).

30. Regarding claim 30, substantially similar to claims 27 - 29, and thus is rejected under similar analysis.

31. Regarding claims 31-57, apparatus and method claims substantially similar to method claims 1-30, and thus are rejected under similar analysis.

### ***Conclusion***

The prior art made of record is considered pertinent to applicant's disclosure. The article "Controlling Web Bugs", Melissa Marcum, Econtent, Feb 2003, vol26, page 9 describes the use of image bugs in web design.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL M. SORKOWITZ whose telephone number is (571)270-5206. The examiner can normally be reached on Monday through Friday from 8:30AM-4:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Calvin Hewitt can be reached on 571-272-6709. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Daniel M Sorkowitz/  
Examiner, Art Unit 4137

/Calvin L Hewitt II/  
Supervisory Patent Examiner, Art Unit 4137